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DISBARRED CHICAGO LAWYER GUILTY IN FEDERAL MORTGAGE FRAUD CASE

CHICAGO — A federal jury convicted a disbarred Chicago lawyer on fraud charges for her role in facilitating staged real estate transactions involving Chicago homes in 2003, federal law enforcement officials announced today. The defendant, **Lorie Westerfield**, was found guilty on three counts of wire fraud and was acquitted on one additional fraud count by a jury Monday after a week-long trial in U.S. District Court.

Westerfield, 46, of Chicago, acted as a seller's attorney and title company representative in fraudulent transactions that she knew a co-defendant had arranged to obtain lender proceeds from the fraudulent sales. Westerfield faces a maximum penalty of 20 years in prison and a \$250,000 fine on each of the three fraud counts. She remains free on bond while awaiting sentencing, which was set for Aug. 4 by U.S. District Judge Samuel Der-Yeghiayan.

In 2008, following a previous federal conviction involving bankruptcy fraud, Westerfield, voluntarily consented to disbarment.

Westerfield and 11 co-defendants were among 67 Chicago area defendants charged in a dozen separate mortgage fraud cases in June 2008 as part of *Operation Malicious Mortgage*, a nationwide initiative against fraudulent home-lending schemes. All 11 co-defendants previously pleaded guilty

in the case and are also awaiting sentencing. These 11 co-defendants, including five loan officers, admitted to having various roles in a fraud scheme that obtained more than \$3.2 million collectively in mortgage loan proceeds from more than a dozen lenders by submitting false loan applications, using stolen identities, for 17 purported home purchases in Chicago between January 2003 and November 2005. The scheme was orchestrated by defendant **Freddie Johnson**, who arranged for various co-defendants to appear at staged real estate closings as the purported buyers, sellers and their representatives, in some instances using the identities of deceased individuals, to obtain the loan proceeds to be paid to the purported sellers and their nominees. Johnson and three other co-defendants testified as government witnesses at Westerfield's trial.

The guilty verdict was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, and Thomas A. Kelly, Special Agent-in-Charge of the U.S. Secret Service, Department of Homeland Security.

The Government is being represented by Assistant U.S. Attorneys Joel M. Hammerman and Tony U. Iweagwu, Jr.

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